The ISO received comments on the topics discussed at the May 28, 2020 stakeholder meeting from the following:

1. California Department of Water Resources (CDWR)
2. Southwestern Power Group (SWPG)
3. Southern California Edison (SCE)
4. Northern California Power Agency (NCPA)
5. Valley Electric Association (VEA)
6. Brookfield Renewable
7. Direct Energy Business LLC
8. Sacramento Municipal Utility District (SMUD)
9. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities)
10. Powerex Corp.
11. California Municipal Utilities Association (CMUA)
12. California Public Utilities Commission (CPUC)
13. Pacific Gas & Electric (PG&E)

Copies of the comments submitted are located on the Maximum Import Capability Stabilization and Multi-year Allocation webpage at:

http://www.caiso.com/StakeholderProcesses/Maximum-import-capability-stabilization-multi-year-allocation

The following are the ISO's responses to the comments.

1. California Department of Water Resources (CDWR) Submitted by: Mohan Niroula		
No	**Comment Submitted**	**CAISO Response**
1a	**1. Maximum Import Capability Stabilization** Support with caveats. CAISO proposal indicates that current allocation process step 1 through step 4 for upcoming year does not change. Step 4 assigns allocation of import capacity associated with the pre-RA commitments. CDWR supports this aspect and would like to recommend no resource specific requirement for the existing pre-RA commitments, and that the proposal doesn't impact the existing pre-RA commitments for the remaining contract period.	The CAISO proposal does not change or add any restrictions to the existing Pre-RA Import Commitments for the remaining contract period.
1b	**2. Available Import Capability Multi-year Allocation Process** Support with caveats. The proposal adopts simplified "Alternative 2" in which allocation will follow the existing allocation process step 1 through step 4 in which there will be no change in the calculations for pre-RA import commitments. CDWR supports this aspect and would like to recommend no resource specific requirement for the existing pre-RA commitments, and that the proposal doesn't impact the existing pre-RA commitments for the remaining contract period.	The CAISO proposal does not change or add any restrictions to the existing Pre-RA Import Commitments for the remaining contract period.
1c	**3. Other** On slide 25, CAISO indicates that an extension of an old contract (Pre-RA Import Commitment or New Use) is treated as a new contract and must meet the proposed new Tariff and BPM requirements to achieve a new lock based on its own merits. Please confirm that the new tariff and BPM requirement will not be applicable to the existing Pre-RA Import Commitments for the existing term of the contract. Requiring existing pre-RA commitments to meet the proposed Tariff and BMP requirements, would cause unnecessary burden and onerous tasks to amend contracts to make them eligible for import allocations.	The CAISO proposal does not change or add any restrictions to the existing Pre-RA Import Commitments for the remaining contract period. After the remaining period ends and after the contract is no longer Pre-RA Import Commitment, then if the LSE want to use the extension of the same contract to get a new lock. The extension of the old contract will have to meet the new Tariff requirements to achieve the lock on its own merit.

2. Southwestern Power Group (SWPG) Submitted by: Ravi Sankaran		
No	**Comment Submitted**	**CAISO Response**
2a	**1. Maximum Import Capability Stabilization** Support with caveats. Southwestern Power Group (SWPG) has no issues with the CAISO proposed adjustment to the two highest actual import hours as described in the white paper section 4.1. SWPG is concerned however that by only looking at past energy imports that the MIC availability will fail to recognize the changing landscape of future desired imports and RA provision. For example, SWPG and its partner, Pattern Energy, are marketing wind energy from New Mexico, some of which will be delivered to the Willow Beach ISO Scheduling Point. In recent years Willow Beach has seen a decline in energy imports – especially as the Four Corners coal plant shut down. However, limiting the MIC availability to only what has happened in the past year will necessarily mean that each year additional wind energy comes on line there will be insufficient MIC to ensure the import of that resource's RA. SWPG strongly encourages the CAISO to look to additional sources of information, such as LSEs' CPUC integrated resource plan (IRP) data, to asses the MIC needs going forward rather than simply using the outdated energy import data. If the CPUC IRP data is not available to the CAISO or not acceptiable as a source, SWPG is pleased to discusss with the CAISO mechanisms the CAISO could use to determine whether the past imported energy will or will not provide sufficient MIC for the upcoming year's LSE RA needs.	The current methodology for calculating MIC already includes a forward looking component. In order to ensure that the state and federal policy goals are accomplished the CAISO tests each branch group value to ensure that there is enough Remaining Import Capability available to accommodate the CPUC main renewable portfolio. If any branch group (or group of branch groups) are constrained, the CAISO will try to raise MIC in order to accommodate the CPUC main renewable portfolio as soon as possible including the approval of new transmission projects if necessary. Please see Reliability Requirement BPM section 6.1.3.5. If you have a contract with a CAISO Load Serving Entity (LSE) (including municipal entities) and you believe your contract is not accounted for in the main CPUC renewable portfolio, please contact the CPUC and the CAISO as soon as possible with details of your renewable contract.
2b	**2. Available Import Capability Multi-year Allocation Process** Support with caveats. Following the CAISO's Revised Straw Proposal, SWPG supported allocation with a preference for respecting RA contracts (Alternative 1). SWPG recognizes the CAISO's motivation for supporting Alternative 2 which respects Load Ratio Share. SWPG supports the proposed simplifications, finding that they will be commercially easier to manage and thereby reduce costs for market participants.	Thank you for your support.

No	Comment Submitted	CAISO Response
	SWPG also supports the aspect of the CAISO's proposal which allows LSEs to specify a priority order, or to choose to indicate a pro-rata adjustment, under the circumstance where the LSE would need to give up some level of locked MIC allocation due to reduced load share. (The CAISO's proposal is in contrast to, for example, SCE's proposal made during the stakeholder call which would require prorata reductions in all MIC allocations that an LSE held.) Allowing the LSE to specify the MIC that is surrendered allows the LSE to best manage its portfolio and business decisions.	Thank you for your support.
2c	**3. Other** No comment.	

3. Southern California Edison (SCE) Submitted by: Wei Zhou		
No	**Comment Submitted**	**CAISO Response**
3a	**1. Maximum Import Capability Stabilization** Support with caveats. SCE supports development of a methodology to stabilize the MIC values. SCE continues to believe that the MIC amount should be closely aligned with the physical capability of the grid. The CAISO's proposal of extending the time window of evaluating historical schedules, i.e., from the past two years to the two highest years among the past five years, will likely lead to incremental improvements over the existing methodology. However, given that the trend of declining MIC amounts has been observed at least over the past seven years for which a study was conducted, by simply extending the time window of historical schedules, it is unlikely that the proposal will adequately achieve the goal of stabilizing MIC amount. SCE continues to believe that the MIC amount should be closely aligned with the physical capability of the grid so that it does not artificially restrict import RA. While SCE supports the CAISO proposal and its implementation for the upcoming RA year, SCE requests the CAISO continue to explore viable alternatives that can result in more appropriate MIC allocation and serve potential RA needs better. This is an important topic as the supply condition is expected to get tighter and imports can be a critical component in meeting the net load peak in coming years. SCE recommends that the CAISO and stakeholders explore viable alternatives through this on-going stakeholder process. SCE has suggested an approach that would consider LSEs' RA needs in the MIC allocation process, as described below. "*The CAISO and stakeholders should explore an alternative approach that is based on the physical capability of the grid, i.e., the transfer capability of interties. LSEs can nominate or submit requests not exceeding the transfer capability of an intertie. To validate and grant the requested capacity, a simulation study can be performed if needed to ensure the granted capacity will not exceed the maximum import level of each intertie that is viable; the simulation should consider the viable, maximum import capability for each intertie (i.e., the MIC value for each intertie) by studying different scenarios*	 Thank you for your support. Deliverability studies for the next RA compliance year are run in late June-July timeframe. The study has both internal resources and interties (MIC) validated simultaneously. The "nomination" process needs to be done in advanced of studies and in advance of knowing each LSEs load share ratio or their RA responsibility. Most interties with high commercial interest like Paloverde, Malin or Mead are already at or nearly at their maximum deliverable amount, therefore the "nomination" process will most likely not increase the existing MIC,

No	Comment Submitted	CAISO Response
	under different grid and supply conditions. Under this alternative approach, the MIC will still be allocated based on LSEs' load share ratio." Similarly, the CAISO has indicated a future enhancement could be "centered around actual new RA contracts available at each individual branch group vs. the total available MIC for the same branch group". The enhancement appears to be aligned with the approach suggested above in that under the approach suggested by SCE, LSEs can submit requests, based on actual RA use or RA contracts, that would then be validated and analyzed by the CAISO. SCE requests that in the next iteration of the stakeholder process, the CAISO elaborate the enhancement contemplated by the CAISO, as well as other viable alternatives submitted by the stakeholders.	to the contrary since some interties will be neglected MIC could be reduced. Under the new process, most likely the interties with high commercial interest will get lock up before others, and as such that would be an indication that a particular high interest intertie needs to be expended or increased. The increase may need to be economically justified if deliverability constraints have been violated.
3b	**2. Available Import Capability Multi-year Allocation Process** Opposes with caveats As mentioned in previous SCE comments, a method for multi-year MIC assignment must be closely aligned with the specifics of multi-year RA system and/or flexible RA requirements, which do not exist today. Since those specifics are currently unavailable, the topic of multi-year MIC allocation should be revisited upon further understanding of a multi-year forward requirement for system and flex. Aside from the general comment offered above, SCE submits the following specific comments on the simplified Alternative 2 proposal. SCE believes that the simplified Alternative 2 proposal is preferable than the Alternative 1 proposal and administratively simpler than the original Alternative 2 proposal. However, SCE continues to find the simplified Alternative 2 proposal may not sufficiently address load migration issues, as described below. During the May 28, 2020 stakeholder call, the CAISO staff stated that a multi-year MIC lock up amount would be restricted by the LSE's load share ratio at the system level (i.e., not at the branch group level), and that if cuts are required from one year to the next, the LSE with the existing lock would choose what contracts (branch groups) they will release, i.e., per the contract priority curtailment order determined by the LSE. The approach of applying load share ratios at the system level, as proposed by the CAISO, seems to ignore the potential that some branch groups can be at a higher demand than others in using the corresponding MIC to meet RA needs. In particular, it's possible that	 As the CPUC stated in their comments, allowing new multi-year import contracts is preferred even if the CPUC decides to never impose a multi-year RA program for system or flex. The CAISO agrees coordination is necessary especially if the CPUC decides to impose multi-year RA system and flex requirements. The CAISO can open a new stakeholder process to tie-up loose ends, if necessary, when the CPUC decides to impose multi-year RA system and flex requirements. The CAISO understands that some interties will fill in with new contracts before others, however without assurance that the same contracts count for RA year after year there will be no long-term RA import contracts.

No	Comment Submitted	CAISO Response
	once a significant portion of the capacity of those branch groups is locked up by long-term MIC, they will essentially not be available for annual allocation to other LSEs, even if those LSEs who locked up the capacity lose load, as long as the locked up amount is below their load share ratio at the system level. Put differently, the approach applying load share ratios at the system level will place a higher priority on multi-year RA contracts to those contracts that show up in the annual MIC allocation process.	
	This approach also appears to be inconsistent with the approach used in the annual MIC allocation (e.g., the proposed Step 5 in the MIC allocation), which applies LSEs' load share ratio at the branch group level. The inconsistency would lead to unnecessary complexity and confusion because the annual allocation would distribute MIC based on load share ratios at the branch group level while the multi-year lock up amount would be determined based on the same load share ratios but applied at the system level.	Part of this initiative will change step 5 to give preference to new long-term contracts. Furthermore the current process only uses the load share ratio between requesting LSEs (not all LSEs) at the branch group level if the branch group is oversubscribed. The CAISO does not foresee any significant increase in complexity, the new long-term contracts will be treated similarly to the old Pre-RA Import Commitments (however having lower priority order than the Pre-RA Import Commitments). The new long-term contracts will however have priority over year by year use of MIC, which will still get distributed to the LSE based on steps 5-13.
	Finally, this same issue was addressed in the implementation of Congestion Revenue Rights (CRR) in a manner that is very different from this approach. That is, in CRR space, any loss of load results in a pro-rata share of all CRRs allocated to that load losing LSE including both short term (one year or less) and long-term (10 year rights) equally. During the development of this process, the philosophy was that the rights to the transmission grid belong to the customers that pay for the grid. Since those customers would not be direct holders of the rights, the Load Serving Entity would serve as the proxy for those customers. In the event that load moved between LSEs, the rights would transfer to follow the load that paid for the availability of the right. This process recognized that the CRR that is transferred may not match the portfolio of resources owned by the load gaining LSE but that the value none-the-less should transfer. SCE does not see that the MIC process is significantly different from the CRR process such that a load losing entity would be enabled to continue to have preferential treatment of MIC that has been allocated when any load has migrated even if it does not take the LSE below its load ratio share. Effectively, such a process would claim that the MIC was obtained for a subset of load from an LSE and there is no rational for asserting such.	The CAISO views the RA MIC allocation process different than the CRR process. The CRR process, and its potential financial protection, does not impede any market schedules or energy transactions. In the RA program an LSE must have MIC allocation in order to count its import contract as RA, if it is not available the entire showing and/or transaction is not allowed.
	Given the reasons described above, the CAISO should revisit its proposed policy in the application of load share ratios in the multi-year/long-term MIC allocation process. SCE recommends that the CAISO should consider a	Your comment has been noted.

No	Comment Submitted	CAISO Response
	mechanism similar to the mechanism used in the CRR process, or other viable mechanisms, that results more equitable allocation among LSEs.	
3c	**3. Other** None.	

4. Northern California Power Agency (NCPA)
Submitted by: Mike Whitney

No	Comment Submitted	CAISO Response
4a	**1. Maximum Import Capability Stabilization** Support with caveats. NCPA agrees that extending the sample period from two years to five years, and increasing the sample size from two hours to four hours, will help stabilize MIC results which will benefit LSEs' resource planning efforts. However, with the recent retirement of SONGS, the expected near term retirement of many of the once-through-cooling thermal plants, and eventually the Diablo Nuclear plant, will place the CAISO BAA in a situation where RA capacity will likely be in short supply. It may be assumed that CAISO based LSE RA obligations could be met with generation capacity that is surplus in neighboring BAAs, but this can only be accomplished with use of available Maximum Import Capacity. As such, it is imperative that CAISO explore opportunities to increase the amount of available MIC by considering a forward looking component that takes into account unit retirements. CAISO's stated concern that increasing MIC could reduce internal generation deliverability is valid, however, CAISO may be taking into account internal resources that will soon no longer exist and thereby allow increased import deliverability.	Thank you for your support. Increasing MIC by any significant amount is not technically feasible. The California Simultaneous Import (CASI) has been fairly steady across time. Currently at 12,800 MW, CASI only includes flows on California-Oregon Intertie (COI) and West of the River (WOR), however it is not just used by the CAISO; it is also used by other control areas like: BANC (SMUD, WAPA, Roseville, MID, Redding, City of Shasta Lake), TID, LADWP and CFE. The 2020 CAISO MIC (15,525 MW) is formed of about 11,125 MW on CASI transmission plus about 4,400 MW on non-CASI transmission system.
4b	**2. Available Import Capability Multi-year Allocation Process** Support with caveats. NCPA believes RA contracts should only be required to specify the source BAA from which the capacity is sourced in order to qualify for multi-year MIC. More rigorous standards could artificially reduce the amount of imports that can be used as RA (even if such imports can and will actually provide power to the CAISO BAA). Alternatively, NCPA believes allowing an aggregation of specific resources to qualify for RA contracts would be absolutely necessary. For example, a RA import may be supplied from a system composed of multiple hydroelectric generators, which together will physically be available to support the RA import. In such case, due to the unique operating characteristics of individual resources within the system, the production of an individual resource may change over the course of a month (due to environmental requirements),	Requirements for new contracts will be coordinated with the RAE initiative.

No	Comment Submitted	CAISO Response
	but this would not reduce the ability of the system of resources to support the import. NCPA strongly agrees that MIC should continue to be allocated only to the LSEs who pay for the transmission system.	Thank you for your support.
4c	**3. Other** No comment.	

5. Valley Electric Association (VEA)
Submitted by: Brad Van Cleve

No	Comment Submitted	CAISO Response
5a	**1. Maximum Import Capability Stabilization** VEA supports the CAISO's maximum import capability stabilization proposal.	Thank you for your support.
5b	**2. Available Import Capability Multi-year Allocation Process** Support with caveats. As VEA noted in its comments on the Revised Straw Proposal, VEA has a 20-year contract for the purchase of unbundled energy, System RA Capacity and Flexible RA Capacity, which is delivered at the Mead intertie for the life of the contract. The contract requires the supplier to identify the specific resource or resources providing System RA Capacity and Flexible RA Capacity each year prior to the annual RA Plan submission date. Therefore, the supplier can change the specified RA resource, but not the delivery point each RA year. VEA requests that the CAISO confirm that a contract that provides for delivery of a specified resource at a fixed point of delivery qualifies as a multi-year contract for purposes of locking up 75% of an LSE's MIC allocation at the branch group level, even though the supplier is not required to specify the RA resource until the time that annual RA plans must be submitted. VEA believes this type of contract meets the policy goals of the MIC multi-year allocation proposal, because it provides for a long-term RA resource delivered at a single branch group delivery point, while providing the supplier the ability to use different, but specifically identified, RA Resources at the time of the annual showing each year. As a result of being resource specific, the actual RA product is just as firm as a contract that identifies a specific resource for a longer term. Given this firmness, it would be discriminatory to treat such a contract differently. For these reasons, VEA requests that the multiyear MIC allocation and locking rules permit the use of long-term contracts that provide for the identification of specific RA resources on an annual basis at the time annual RA plans are due, provided that the point of delivery does not change. In recent years, the bilateral market for RA capacity has seen minimal liquidity. As a result, it is important to allow for source flexibility in long-term contracts to encourage liquidity in long-term RA markets.	Your preference has been noted. The CAISO believes that the contractual arrangement described herein meets the intent of the proposed new contracts used to lock MIC allocations to branch group level, being associated with source specified import resources (either resource specific or an aggregation of specific resources).

No	Comment Submitted	CAISO Response
5c	**3. Other** The CAISO stated in the Second Revised Straw Proposal that it is "willing to explore other viable alternatives through this on-going stakeholder process for RA year 2022 implementation along with the multi-year MIC allocation effort." VEA raised a number of issues in its comments on the Revised Straw Proposal that were not addressed in the Second Revised Straw Proposal. VEA encourages the CAISO to consider the following proposals for future implementation in this on-going stakeholder process: 1. The CAISO should create a process for obtaining full capacity deliverability of dynamically scheduled RA resources that are outside the CAISO, especially if they are carbon free resources. Since a dynamically scheduled resource is effectively within the CAISO Balancing Area Authority, it should have the same right to request study as fully deliverable as other generating resources within the CAISO and avoid the need for a MIC allocation. This would allow California to avoid artificially limiting the import of carbon free resources due to MIC limitations. 2. The CAISO should implement a mechanism to provide for MIC allocations at intertie points that are used on an intermittent basis to import power into the CAISO. VEA has interconnections with Western Area Power Administration (WAPA) at Amargosa Substation and Mead Substation and with NV Energy at Northwest Substation and Mercury Substation. The CAISO should study whether RA Capacity can be imported at Amargosa and Mercury, as well as whether MIC import capacity at Mead can be increased. 3. The CAISO should implement a forward-looking mechanism to account for changes in operations and new generation and transmission facilities to predict future import capacity, rather than simply looking at historic imports over a five-year period. The CAISO also should consider the resource plans of VEA and other small LSEs who are not represented within the TPP portfolios to mitigate the adverse impacts of its reverse looking MIC allocation methodology.	First, the CAISO does not do deliverability studies inside neighboring BAA, therefore it cannot determine if there are any constraints from the resource to the CAISO boundary. Second, at the CAISO boundary deliverability is given to LSE (that pay for transmission) in order to sign any resources in the rest of the West – including dynamic resources or pseudo-ties. If deliverability at the boundary points is given directly to dynamic schedules and pseudo-ties then that deliverability will be removed from what is allocated to LSE. Given the numbers of dynamic schedules and pseudo-tie the CAISO has and their proliferation, pretty soon the deliverability to the intertie will be fully locked up by dynamic schedules and pseudo-tie and the LSEs internal to the CAISO will not be able to choose any resource in the West as RA they will be forced to choose among the dynamic schedules and pseudo-ties severely limiting LSE choices. Deliverability is not transferable from one point on the grid to another or from one intertie to another. The intermittent use of MIC needs to be at the same points and in the same magnitudes as those proven deliverable across the peak. Increases to deliverability at certain interties are possible by scheduling energy over them on the highest load peak days or by signing contracts that are part of state of federal mandate (like RPS). The CAISO looks forward to make sure all state and federal goals can be achieved. If not already done so, please provide the CAISO and CPUC your portfolio to make sure it gets included in CPUC base portfolio and the CAISO TPP assessment along with deliverability studies.

6. Brookfield Renewable Submitted by: Steve Greenleaf		
No	**Comment Submitted**	**CAISO Response**
6a	**1. Maximum Import Capability Stabilization** No comment.	
6b	**2. Available Import Capability Multi-year Allocation Process** Support with caveats. Brookfield Renewable supports, as an interim measure, the CAISO's proposal to permit load-serving entities (LSEs) to utilize up to 75% of their annual allocated maximum import capability (MIC) to assign branch group capability to support multi-year resource adequacy (RA) contracts. While Brookfield Renewable understands the CAISO's position to always respect an LSE's load ratio share (rather than RA contract values) due to year-to-year changes in a LSE's load and thus load-ratio share, on a long-term basis, it is more important for the CAISO to respect long-term import RA contract values. Although the LSE landscape in California is dynamic and evolving, the number and load-ratio share of LSEs will stabilize over the next several years and thus the concern about stranded LSE MIC (due to load migratrion) may be overstated. Based on that, and potential changes to the structure of the RA market that are slated to be considered in upcoming tracks of the California Public Utilities Commission's (CPUC) RA proceeding, including consideration of multi-year system and flexible RA requirements, Brookfield Renewable recommends that the CAISO implement its proposed load-ratio share weighted MIC allocation proposal on an interim basis (e.g., two years) and then transition to an RA contract based (or weighted) allocation so that LSEs can have certainty with respect to their ability to rely on import RA contracts. After that point, to the extent that an LSE's load ratio share changes and/or it has excess RA contracts, they can sell their excess RA position, as they do today. The CAISO's proposal to provide more transaparent information on MIC ownership and shares will facilitate such transfers. Notwithstanding its qualified support for the above-noted aspect of the CAISO's proposal, Brookfield Renewable opposes the requirement that any supporting RA contracts be resource specific and that an RA contract must cover the summer months (June-September) in order to be eligible for a one-year lock. Consistent with its comments in the CAISO's RA Enhancements	Thank you for your support. The CAISO cannot concurrently propose, and move forward, with rules that respect load share ratio for two year and RA contract values thereafter. The CAISO is willing to reconsider the issue in a few years in order to move from load share ratio to RA contract value if conditions have changed significantly and the stakeholder community has reached a conclusion that a change is necessary. Your preference has been noted.

No	Comment Submitted	CAISO Response
	initiative, Brookfield Renewable believes that non-resource specific (NRS) import RA contracts – including firm energy contracts – should continue to count as RA and, with respect to this initiative, qualify to support an LSE's request to lock in MIC. As recently stated in the proposed decision in Track 1 of the CPUC's RA proceeding, no party has demonstrated that NRS import RA contracts have failed to perform. Since the CPUC proposes to retain NRS RA imports, it is important that the CAISO also maintain the ability of LSEs to rely on NRS RA imports. Finally, with respect to the summer month requirement, while Brookfield Renewable appreciates the CAISO's attempt to establish a contract/lock-in priority for peak load month contracts and/or prevent LSEs from locking up MIC for a year based on a short-term (e.g., one month) RA contract, Brookfield Renewable points out that import RA contracts can play an important role in ensuring reliability in the non-summer months. First, import RA resources can play an important role in offering supply during the peak generator maintenance periods of the year. Second, import RA is an important source of less expensive carbon-free reliable energy during the Spring months. Brookfield therefore urges the CAISO to remain open to and consider criteria that enable non-summer month import RA contracts to qualify an LSE to lock in MIC for a year.	Currently the CAISO is mostly concern about summer months when the RA resource pool is tightest. Also the CAISO is trying to avoid LSEs locking MIC by purchasing inexpensive non-summer RA import contracts in order to lock MIC and then turning around to sell that MIC at a premium to other LSEs during the summer months. Any resource, RA or not, can provide reliable energy. In other words one does not have to be RA to provide energy.
6c	**3. Other** No comment.	

7. Direct Energy Business LLC
Submitted by: Scott Olson

<table>
<tr><th>No</th><th>Comment Submitted</th><th>CAISO Response</th></tr>
<tr><td>7a</td><td>1. Maximum Import Capability Stabilization
Support.

Direct Energy Business (“DEB”) is a $4 billion Direct Energy subsidiary providing electricity and natural gas to nearly 240,000 businesses in North America. DEB performs commodity hedging and risk management functions on behalf of our retail customers as well as provides commodity solutions and market intelligence to wholesale customers like community choice aggregators (CCAs). DEB has been an Electric Service Provider (ESP) in California for many years and is active in procuring MIC and RA to serve our Direct Access (DA) load.

DEB supports the stabilization efforts outlined in Section 5.1.</td><td>Thank you for your support.</td></tr>
<tr><td>7b</td><td>2. Available Import Capability Multi-year Allocation Process
Support with caveats.

DEB supports with caveats the Multi-Year Allocation Process, but has two major changes that it would like to see in the proposal:
First, and most importantly, DEB recommends that CAISO staff remove the resource specific requirement for LSEs to lock-up multi-year MIC (page 25). In both the webinar and Second Revised Straw Proposal, CAISO staff stated how this would be “consistent” with proposed Import RA rules, but that is inaccurate as outlined below.
In the Proposed Decision (PD) of Rulemaking R.17-09-020 released by ALJ Debbie Chiv on May 18, 2020, the CPUC explicitly rejected the proposal that Import RA contracts require source-specification at the time of RA showings. This PD continues to allow non-resource specific contracts to qualify as Import RA subject to new requirements for contracting and scheduling. The resources must self-schedule or alternatively must bid into the CAISO at a level of $0 to -150/MWh during the Availability Assessment Hours. While CAISO submitted a proposal as part of this proceeding that would require Import RA to only be from source-specific contracts, that requirement has not been adopted by the CPUC. The PD identifies several concerns with the CAISO resource-specific proposal,</td><td>Thank you for your support.

Requirements for new contracts will be coordinated with the CAISO RAE initiative.

The CPUC currently does not have a multi-year RA system and flex requirement. The R.17-09-020 applies one to one year out and the CAISO will not change the one year out RA import rules. Any contract can count for RA one year out.</td></tr>
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No	Comment Submitted	CAISO Response
	and states that "the proposal requires further development and regulatory approval before implementation" (Findings of Fact #5, page 50). Thus, the requirement in the Straw Proposal that an LSE have resource-specific contracts to be able to lock multi-year MIC creates a major disconnection between this initiative and the CPUC Import RA rules. Moving forward with the resource-specific requirement would not be "consistent" with what the CPUC finds permissible to count as Import RA, which would unduly restrict the market for Import RA availability. CAISO staff instead should align this initiative with the CPUC Import RA rules and allow non-resource specific contracts to lock multi-year MIC provided that the CPUC Import RA requirements are followed. Only if the CPUC in the future requires resource-specific contracts for Import RA should this also be a requirement to lock multi-year MIC. Second, the Straw Proposal proposes that if the amount contracted for varies by month, that the amount that can be locked will be equal to the month with the highest total QC value (page 25). DEB recommends that since the summer months are the most critical period for RA and when the MIC is most needed, the proposal be revised to state that only the highest summer month (May-October) be the basis for the amount of future year MIC that can be locked. LSEs with a high winter RA contract and low summer RA contract could conceivably lock up MIC for the summer that it will not be using that it could sell at a premium. This potential behavior should be discouraged by only rewarding LSEs with future MIC amounts based on how much they are using in the peak summer months.	Your suggestion has been noted.
7c	**3. Other** DEB thanks the CAISO for working on this important initiative and for the opportunity to provide these comments.	

8. Sacramento Municipal Utility District (SMUD)
Submitted by: Andrew Meditz, Martha Helak and Bill Her

No	Comment Submitted	CAISO Response
8a	**1. Maximum Import Capability Stabilization** No comment.	
8b	**2. Available Import Capability Multi-year Allocation Process** No comment.	
8c	**3. Other** The Sacramento Municipal Utility District (SMUD) provides the following comments on the CAISO's Maximum Import Capability (MIC) Stabilization and Multi-Year Allocation Second Revised Straw Proposal, dated May 21, 2020 (Straw Proposal). SMUD currently participates in the Energy Imbalance Market (EIM) and is an active participant in the CAISO's day-ahead and real-time markets. In addition to system reliability issues caused by changes to the Resource Adequacy (RA) structure, SMUD has an interest in this initiative as we look for potential opportunities to participate as an import intertie supplier in the CAISO RA market in the future.	
	SMUD appreciates the CAISO's efforts to improve the MIC process, and the current proposal is an improvement over the existing structure. Throughout this initiative, SMUD has conditionally supported the CAISO's proposals as SMUD attempted to work within the framework proposed. SMUD has advocated for greater access to import RA and the removal of unreasonable barriers to stimulate use of, and investment in, import RA resources, but at the same time recognizing that reliability of the CAISO grid is a critical piece of the RA market. Other stakeholders in this initiative have commented that the CAISO should abandon MIC altogether or base the MIC on total intertie capacity; SMUD sees a number of benefits with these concepts, namely it increases RA availability, especially at a time when California and the West overall faces a capacity shortfall. Abandoning MIC altogether or basing the MIC on total interie capacity moves away from the an overly restrictive MIC limitation that does not reflect today's current situation.	The CAISO cannot eliminate deliverability for RA imports because the simultaneous deliverable amount is only about 1/3 of the total non-simultaneous transmission capability of all interties.
	SMUD encourages the CAISO to consider these other proposals, specifically that proposed by the California Municipal Utilities Association (CMUA). The Straw Proposal on page 21 summarizes stakeholder positions on allocating multi-year MIC. SMUD notes that the CAISO has added in	The CAISO will change the characterization in the next paper.

No	Comment Submitted	CAISO Response
	parenthesis that we are "(representing a few CCAs)," which is not accurate. While SMUD is a contractor to community choice aggregators, SMUD is participating in this initiative for its own interests as mentioned above, not those of community choice aggregators. We ask the CAISO remove this statement to clarify the record.	

9. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities)
Submitted by: Bonnie Blair and Meg McNaul

No	Comment Submitted	CAISO Response
9a	**1. Maximum Import Capability Stabilization** Support with caveat. The Six Cities support the concept of enhancing the stability of Maximum Import Capability ("MIC") and consider the proposal to utilize import data from the two years with the highest actual imports (when load is at or above 90% of that year's peak) among the past five years as an incremental improvement over the current methodology. As discussed in the Additional Comments section below, however, the CAISO should develop and implement much more substantial revisions to the MIC construct so as to enhance the ability of LSEs to access import resources for Resource Adequacy ("RA") purposes.	Thank you for your support.
9b	**2. Available Import Capability Multi-year Allocation Process** Opposes with caveats. The Six Cities consider the CAISO's proposal to allow LSEs to lock in MIC allocations under certain circumstances to support multi-year RA contracts to be an incremental improvement over the existing process, which fails to provide any support for multi-year RA imports (other than pre-RA commitments or RA resources delivered over ETCs or TORs). As discussed in the Additional Comments section below, the CAISO should develop and implement much more substantial revisions to the MIC construct so as to enhance the ability of LSEs to access import resources for Resource Adequacy ("RA") purposes on a multi-year basis.	Your comment has been noted.
9c	**3. Other** The Six Cities continue to urge the CAISO to take immediate steps to pursue more significant revisions to the MIC framework. As currently implemented, and even with the incremental enhancements the CAISO now proposes to adopt, the requirement to obtain a MIC allowance to qualify any import resource for RA purposes is an unreasonable and discriminatory barrier to RA imports that is contrary to the principle of open access transmission. Because the MIC that is available for allocation is based on historical levels of imports, the MIC requirement unreasonably impedes the ability of Load Serving Entities ("LSEs")	The requirement to have deliverability in order to participate in the RA market is not discriminatory. It is applied equally to resources inside the CAISO as well as imports into the CAISO. Energy Only (EO) resources cannot participate in the RA market just like RA imports without a deliverability allocation cannot.

No	Comment Submitted	CAISO Response
	to enter into RA contracts with external resources and the ability of external resources to sell RA capacity. Basing MIC availability on historical schedules for energy ignores the fact that the sole purpose for MIC allowances is to assess deliverability for RA capacity from resources external to the CAISO grid. Limiting MIC availability to historical energy imports both ignores and impedes the potential development of capacity resources outside the CAISO BAA that could be committed to meet CAISO BAA load. It is a circular construct that has led to a downward spiral of available MIC, obstructing efficient use of external resources available for RA purposes. The rules generally applicable under the Federal Energy Regulatory Commission's open access transmission policy do not permit transmission providers to refuse access to available transmission capacity based on historical usage patterns. In response to a request for firm transmission service, a transmission provider must provide service if capacity is available. The CAISO's March 12, 2020 Revised Straw Proposal observed at page 17 that "the total of physical capability of each intertie totals about 44,400 MW and the highest net import the CAISO has ever seen is around 12,500 MW." The magnitude of the differential between intertie transfer capability and the highest level of historical import schedules does nothing to justify the limitation of MIC allowances to historical energy schedules. To the contrary, the amount of headroom in unused intertie transfer capability demonstrates clearly that limiting MIC allowances to historical energy schedules is unduly restrictive and contravenes FERC's open access policy. Recognizing that unused transmission capability may not be evenly distributed among import branch groups, the nearly 32,000 MW differential between total intertie transfer capability and maximum historical net import schedules compels the conclusion that there is a great deal of room to substantially increase MIC allowances without exceeding branch group limitations and without unreasonably impairing deliverability for potential new internal resources, while continuing to preserve the existing grandfathered priority MIC allowances for pre-RA commitments and TORs. The CAISO has made no attempt to demonstrate otherwise. In light of the magnitude of the differential between total intertie transfer capability and historical maximum energy schedules, the Six Cities suggested in their April 2, 2020 comments on the Revised Straw Proposal that MIC limitations and allowances are unnecessary and simply could be eliminated without any significant risk to reliability. If CAISO LSEs had the ability to enter	CAISO has not seen an impediment yet, more often than not the RA import showings are below to far below the deliverability allocated to the LSEs, In order to maintain lower cost to ratepayers, CAISO is committed on not maintaining deliverability for extended periods of time that have no backing on either the RA or the energy market. CAISO respects open access transmission policy in its energy markets and provides open access to available transmission. CAISO does not sell firm transmission service through its energy markets. Six cities are confusing transmission access with deliverability for imports required in the RA markets. As explained before, increasing MIC by any significant amount is not feasible because only about 1/3 of the non-simultaneous transfer capacity of all interties is simultaneously deliverable in real-time. The California Simultaneous Import (CASI) has been fairly steady across time. Currently at 12,800 MW, CASI only includes flows on California-Oregon Intertie (COI) and West of the River (WOR), however it is not just used by the CAISO; it is also used by other control areas like: BANC (SMUD, WAPA, Roseville, MID, Redding, City of Shasta Lake), TID, LADWP and CFE. The 2020 CAISO MIC (15,525 MW) is formed of about 11,125 MW on CASI transmission plus about 4,400 MW on non-CASI transmission system. CAISO concludes that at current level of MIC there is no underutilization of the available simultaneous import limit on the transmission system, to the contrary.

No	Comment Submitted	CAISO Response
	into RA contracts with external, physical capacity resources for delivery at specified interties without having to pre-establish a MIC allowance, such RA commitments would be included in RA showings and would be subject to evaluation in the CAISO's portfolio sufficiency analysis. If the portfolio sufficiency test identified impediments to deliverability of the external RA capacity under specified system conditions, then the CAISO could address the impact of any such deliverability concerns through the collective deficiency process. This approach also would be more consistent than the current MIC construct with the CAISO's stated objective of minimizing differences in treatment between internal and external resources for RA purposes. The CAISO's response to this suggestion, at page 24 of the Second Revised Straw Proposal, is non-sensical. The CAISO expresses concern that eliminating the MIC requirement and assessing deliverability of RA resources upon inclusion in RA showings could result in high risk that simultaneous delivery of RA contracts would be infeasible. That concern, however, is premised on the continued application of MIC at the current level based on historical energy imports, which the CAISO has not justified. The Second Revised Straw Proposal also raises timing objections to the Six Cities' suggestion, but it makes no effort to consider whether there may be ways to revise applicable timelines to accommodate deliverability analyses of RA showings after-the fact or contractual adaptations to avoid stranded RA commitments going forward. Moreover, even if it were demonstrated through reasoned analysis that elimination of MIC requirements altogether is infeasible or might have undesirable consequences, that does not justify continuing application of MIC limits that are unduly restrictive, unrelated to any real limitations on transmission capacity, and therefore inconsistent with open access principles.	
	On several occasions the CAISO has pointed to the fact that stakeholders agreed upon the MIC framework in 2005 through a FERC technical conference process, implying that this provides a reason to retain the existing MIC rules. See, e.g., the January 22, 2020 Straw Proposal at page 4 and the March 12, 2020 Revised Straw Proposal at page 4. That suggestion, however, ignores the numerous and extensive revisions to nearly every aspect of the CAISO's market design (other than MIC) since 2005. The CAISO has justified the myriad revisions to its market rules as enhancing efficient use of resources or responding to changing market conditions or both. There is no justification for	Your comment has been noted.

No	Comment Submitted	CAISO Response
	considering the fifteen-year-old MIC framework as sacrosanct and exempt from any need to adapt to changing market conditions. The existing MIC construct, even with the incremental improvements now proposed by the CAISO, is unjust, unreasonable, unduly discriminatory, and inconsistent with open access principles, and it impedes efficient use of regional capacity resources. It should either be eliminated or reworked (substantially, not incrementally) and now, not at some unspecified future time.	

10. Powerex Corp. Submitted by: Mike Benn		
No	**Comment Submitted**	**CAISO Response**
10a	**1. Maximum Import Capability Stabilization** No comment.	
10b	**2. Available Import Capability Multi-year Allocation Process** No comment.	
10c	**3. Other** Powerex appreciates the opportunity to submit comments on CAISO's May 21, 2020 Maximum Import Capability Stabilization and Multi-Year Allocation Second Revised Straw Proposal ("Second Revised Straw Proposal"). Powerex's comments in prior rounds of this initiative have expressed its long-standing concern that the current Import Capability ("IC") framework strands large amounts of IC by allocating it to load-serving entities ("LSEs") that never actually use it to enter into import resource adequacy ("RA") contracts. It is regrettable that this initiative does not contemplate any measures to address this problem, which continues to stand in the way of California load-serving entities that do seek to enter into import RA contracts to meet their RA requirements. While Powerex continues to advocate for changes to the IC allocation process to reduce the potential for stranding of IC, the Second Revised Straw Proposal erroneously claims that Powerex has advocated for IC to be auctioned, or to be simply eliminated. Neither characterization is correct. Powerex has consistently recognized the need for a process to ensure that import RA commitments at each intertie do not exceed the anticipated capability of that intertie to actually receive energy. Powerex has also consistently recognized that California LSEs—whose ratepayers fund the CAISO-controlled portion of transmission facilities that enable RA requirements to be met by import contracts—should receive the benefit of reliance on that import capability. What Powerex objects to is a framework that results in the artificial appearance of "congestion" even when future import capability has not been fully committed for import RA contracts. For this reason, Powerex has suggested exploring an IC allocation that is based on pending RA contracts that are actually in place (subject to securing IC from the CAISO). Powerex requests	The CAISO will correct the characterization in the next paper.

No	Comment Submitted	CAISO Response
	that CAISO correct the characterization of Powerex's position in future versions of the proposal in this initiative. With respect to the changes in the Second Revised Straw Proposal, Powerex generally believes that the multi-year lock process will not exacerbate the stranding of IC that occurs under the existing approach. It is Powerex's understanding that the multi-year lock will work as a "pre-assignment" of the prior year's IC allocation, but eligibility for this pre-assignment will require demonstration of an executed import RA contract for the upcoming year. Since the pre-assignment occurs only if there is an actual qualifying RA contract in place, it would appear to not further aggravate the stranding of IC.	
	Powerex also generally supports the proposed requirements for import RA contracts that are eligible to support a multi-year lock. Namely, Powerex supports requiring such contracts to (1) specify a physical resource, or aggregate of identified physical resources; and (2) apply to at least three summer months.	Thank you for your support.
	Powerex encourages CAISO and stakeholders to consider whether the criteria proposed to enable a pre-assignment of annual MIC could be utilized to reduce stranding of IC under the single-year allocation. Namely, it may be workable to enable participation in the pre-assignment process for all executed resource-specified import RA contracts in place at the time of the annual showing and spanning at least three summer months. This would give IC allocation priority to entities with actual import RA contracts in place, and would enable a significant improvement in the utilization and efficient allocation of IC among California LSEs.	The process allows all signed contracts to participate and lock allocations even for a single year as long as they are signed by 5/15 and presented to the CAISO in the applicable template. The process needs to occur at the beginning of the RA process when MIC is allocated for the next RA year and not at the end of the RA process when the showings are received.

11. California Municipal Utilities Association (CMUA) Submitted by: Tony Braun, Braun Blaising Smith Wynne, P.C. (BBSW), Council to the CMUA		
No	**Comment Submitted**	**CAISO Response**
11a	**1. Maximum Import Capability Stabilization** No comments.	
11b	**2. Available Import Capability Multi-year Allocation Process** Oppose with caveats. No comments.	
11c	**3. Other** CMUA appreciates the incremental steps the CAISO is proposing to improve the MIC methodology. But, the CAISO's Second Revised Straw Proposals simply does not address the fundamental problem that MIC has become a barrier to efficient and non-discriminatory access to supply by LSEs. This artifical barrier to procurement created by MIC comes at a time when the CAISO itself has identified near and medium term system Resource Adequacy shortfalls. Yet, the MIC construct remains largely unchanged for approximately 15 years. In the meantime, units have retired in California; thousands of MWs of units have retired in the Western Interconnection; certain grandfathered resources around which the current MIC was designed have retired or contracts expired; and thousands of MW of load has migrated from the investor-owned utilities. RA imports reflected in contracted for capacity is far, far below the established MIC threshold. There seems little left in terms of the primary reliability purpose of MIC, namely to ensure we do not exceed simultaneously feasible import limits of the system such that, from a capacity perspective, we are jeopardizing reliability by being overreliant on imports beyond system limits. CMUA recognes that there is an interrelationship between MIC and deliverability of internal resources, but this is an empirical question that cannot sufficiently responded to by a generalized concern that imports could threaten the deliverability of internal resources. Stakeholders have proposed more tailored mechaisms to address these concerns while attempting to further rational consideration of options to remove how MIC currently acts as a barrier to contracting for RA imports.	

No	Comment Submitted	CAISO Response
	The CAISO has responded to none of these points. It has not make an empirical showing that there is a reasonable concern that RA imports will exceed limits, or that RA imports will lessen deliverability of internal resources in a real world condition. It has not explained why more tailored mechanisms are not possible to address the need to ensure deliverability while not imposing the current MIC methodology which has become such a restraint on trade. This resistance to fundamental reforms is impacting CMUA members in their RA contracting efforts to meet RA requirements in the CAISO BAA, and also CMUA members that may wish to make sales of RA to the CAISO-based LSEs. This latter application of MIC is particulary puzzling given that the applicable branch groups generally have the CAISO and the applicable CMUA member BAA at the interface, and are not hubs for robust trading, and would not seem to have significant impacts on the deliverability of internal resources. CMUA continues to urge the CAISO to take immediate steps to pursue more significant revisions to the MIC framework. As currently implemented, and even with the incremental enhancements the CAISO now proposes to adopt, the requirement to obtain a MIC allowance to qualify any import resource for RA purposes is an unreasonable and discriminatory barrier to RA imports that is contrary to the principle of open access transmission. Limiting MIC availability to historical energy imports both ignores and impedes the potential use of capacity resources outside the CAISO BAA that could be committed to meet CAISO BAA load. The CAISO's March 12, 2020 Revised Straw Proposal observed that "the total of physical capability of each intertie totals about 44,400 MW and the highest net import the CAISO has ever seen is around 12,500 MW." This amount of headroom in unused intertie transfer capability demonstrates clearly that limiting MIC allowances to historical energy schedules is unduly restrictive and contravenes open access principles. Recognizing that unused transmission capability may not be evenly distributed among import branch groups, the nearly 32,000 MW differential between total intertie transfer capability and maximum historical net import schedules compels the conclusion that there is a great deal of room to substantially increase MIC allowances without exceeding branch group limitations and without unreasonably impairing deliverability for potential new internal resources, while continuing to preserve the existing grandfathered priority MIC allowances for pre-RA commitments and TORs. The CAISO has made no attempt to demonstrate otherwise.	See answer to 9c above.

No	Comment Submitted	CAISO Response
	A tailored approach to meeting the CAISO's objections while provding needed additional depth in the RA market would be assess deliverability of RA resources when the CAISO does its portfolio analysis. Given the amount of headroom for increased imports, this backstop analysis would seem more than sufficient. CMUA was part of the original settlement proposal that resulted in MIC as part of early RA designs. The fact that the MIC stemmed from a older vintage FERC proceeding is no reason to resist change. The current MIC methodology is old, stale, does not reflect current market conditions, and should be consigned to the dust-heap of history. The existing MIC construct, even with the incremental improvements now proposed by the CAISO, results in obstacles to access to transmission rights needed to fulfill market requirements. LSEs are being told they cannot count of delivery of resources, are not being provided a practical rationale for this denial of use of they system they pay for. It is past time for a fresh start and to reexamine MIC from first principles. The CAISOs proposals and responses to stakeholder suggestions, and its characterization of the old MIC litigation, leaves the impression that the CAISO's is resisting bigger changes because it has become comfortable with the current methodology. That is simply not an adequate rationale for keeping a methodology known to have significant flaws and which is impeding access to power markets.	

12. California Public Utilities Commission (CPUC).
Submitted by: Nick Dahlberg

No	Comment Submitted	CAISO Response
12a	**1. Maximum Import Capability Stabilization** Does not oppose. As noted in our comments on the Revised Straw Proposal, staff does not oppose CAISO's proposal to calculate MIC using an expanded five-year dataset. Staff believes this modification is an incremental improvement to the current process but agrees with a number of stakeholders who support exploring alternative ways of calculating MIC. We recognize CAISO's wariness of reducing deliverability to resources located in the CAISO Balancing Authority Area in order to increase deliverability at interties, and we acknowledge CAISO's assertion that "among concrete measures of availability, including actual RA usage, future CPUC IRP portfolios, and actual energy schedules, the highest value of MIC is established by continued use of actual energy schedules." However, we do not believe CAISO has demonstrated that a longer-term solution that relies on physical capacity (at least in part) to calculate MIC while maintaining substantial internal capability is not possible. We support Southern California Edison's (SCE) proposal that CAISO focus the remainder of this stakeholder initiative on exploring viable alternatives. Staff looks forward to continued discussion of improvements to the MIC calculation process, including discussion of certain analyses that we requested in earlier comments.	Thank you for your comment. The CAISO is willing to further explore new alternatives in a future stakeholder initiative.
12b	**2. Available Import Capability Multi-year Allocation Process** Support with caveats. With certain caveats, staff supports CAISO's proposal to implement a modified version of "Alternative 2" from the Revised Straw Proposal. Staff believes the modified Alternative 2 is superior to Alternative 1 because the former ensures that a load serving entity (LSE) cannot "lock" MIC at a branch group in excess of the LSE's year ahead load ratio share. Staff also believes the modified Alternative 2 is vastly preferable to an auction process or to eliminating the import allocation process altogether and appreciates CAISO's rejection of related proposals. Staff continues to support certain technical aspects of the proposal, including publication of LSE-specific information on MIC locked at each branch group, revising the remaining import capability (RIC) allocation process, treating	Thank you for your support.

No	Comment Submitted	CAISO Response
	renewed or extended contracts – as well as replacement contracts – as new contracts under the allocation process, and disallowing "evergreen" contracts. Staff generally agrees with the modifications CAISO made to Alternative 2 in the Second Revised Straw Proposal. CAISO proposes a simplified MIC "locking" process that would enable an LSE to lock MIC at a given branch group up to the megawatt value implied by 75% of the LSE's year ahead load ratio share (but subject to later changes in load ratio share), as long as the LSE were to sign relevant contracts by May 15 of the applicable year and provide the contracts to CAISO by June 1 of the applicable year. Staff agrees with this change, which eliminates the three-year window to lock allocations that CAISO had originally proposed and ensures that contracts will undergo CAISO review prior to their use in locking allocations. CAISO also proposes that if an LSE uses multiple contracts to lock MIC at a branch group, and if the contract quantities vary by month, then CAISO will set the locked amount as the maximum of the sum of monthly contract quantities in any given month, rather than as the sum of the maximum monthly quantity for each contract. Staff agrees with this proposal. Similarly, staff agrees with CAISO's proposed requirement that any contract used to lock MIC include at least three summer months from June through September. Finally, staff supports CAISO's clarification that "[t]he total locked up amounts for each LSE represents the sum of all their ETCs, TORs, Pre-RA Import Commitments and New Applicable Contracts." This implies that if an LSE already has ETCs, TORs, or Pre-RA Import Commitments at or in excess of the megawatt value corresponding to 75% of the LSE's year ahead load ratio share at a given branch group, the LSE cannot lock additional MIC at that branch group. Staff does have questions and comments on certain aspects of CAISO's Second Revised Straw Proposal. First, staff would like to clarify what would happen if an LSE locks MIC at a branch group using a given contract, then subsequently loses some of its MIC, only to regain some or all of that amount in a future year during which the contract is still active. Staff assumes that in this scenario, the LSE would not be able to automatically lock the "regained" MIC using the same contract and that the LSE would need to re-submit the contract for CAISO review in order to lock the regained MIC. This is probably the simplest outcome, and staff would like to confirm whether this understanding is correct. Second, in comments on the Revised Straw Proposal, SCE asked whether resources must be operational in order to lock MIC and, if not, how CAISO will	Correct, the LSE can use the same contract if is still active and meets all the current requirements, however it need to resubmit the request and required paperwork (not automatic). In order to be available for RA for 3 summer months, the in-service date has to before 5/15 of the upcoming year. The CAISO will require an affidavit from the resource owner (builder) that the project is still

No	Comment Submitted	CAISO Response
	track and verify commercial operation. Staff also seeks clarification on this question. The Second Revised Straw Proposal states that "new contracts used to lock MIC allocations to branch group should be associated with source specified import resources (either resource specific or an aggregation of specific resources)." This is different from CAISO's earlier proposal that "new contracts used to lock MIC allocations to branch group should be associated only with either pseudo-tied resources, resource-specific dynamically scheduled system resource or other resource-specific system resource." In our comments on the Revised Straw Proposal, staff proposed that CAISO limit the applicability of contracts only to "pseudo-tied resources and resource-specific dynamically scheduled system resources, consistent with D.19-11-016 in the Integrated Resource Plan proceeding." Staff continues to support our earlier comments. In addition, if these resources do not meet requirements for import resources that the California Public Utilities Commission (CPUC) adopts in Ratemaking (R.)17-09-020, then they may not count towards the CPUC's RA requirements. Finally, the Revised Straw Proposal and Second Revised Straw Proposal both require that an LSE provide CAISO with a "priority curtailment order" for contracts, which CAISO will use to "unlock" MIC when the MIC value implied by an LSE's load ratio share drops beneath its previously locked amount. Staff appreciates this clarification, which appears to follow a recommendation in staff's comments on the Straw Proposal. This provision could provide greater certainty, but in instances where load ratio shares change due to load migration, the effect could be to preserve contracts and MIC at certain branch groups for ratepayers that did not migrate between LSEs while denying continued access to the same branch groups for ratepayers that did migrate. This does not seem equitable. Instead, staff believes pro-rata curtailment of all of the LSE's contracts on all interties makes more sense. Staff believes this model is still superior to the current one-year-only MIC allocation process.	on course for COD before 5/15 of the next RA year before a lock is allowed. CAISO will not track or verify commercial operation. The CAISO requirements are coordinated with CAISO RAE stakeholder meeting. The CPUC can impose a higher requirement to their jurisdictional LSEs. The CAISO does not believe that cutting all the contracts pro-rata in the next RA year is a better choice. While it may temporarily introduce secondary problems to the LSE (by having all their RA import contracts cut), after the LSEs sells one of its long-term contracts (at its choice), it will then resubmit the required paperwork in the second year and likely receive its RA lock back to it choice of remaining interties. The CAISO believes that forcing the LSE to potentially sell immediately an entire contract of the LSE choice will produce the same result (one year earlier) with less complications for the LSE.
12c	**3. Other** No comment.	

13. Pacific Gas & Electric (PG&E)
Submitted by: Adeline Lassource

No	Comment Submitted	CAISO Response
13a	**1. Maximum Import Capability Stabilization** Support. PG&E supports the short term improvement the CAISO proposes to calculate Maximum Import Capability for the next year RA by using the average of four hours, with no more than one hour per day, two hours in each one of the two years with the highest actual imports (when load is at or above 90% of that year's peak) among the past five years. PG&E welcomes that the CAISO is willing to explore other alternatives to calculate MIC through this ongoing process for RA year 2022 implementation along with the multi-year MIC allocation.	Thank you for your support. The CAISO is willing to pursue other methodologies for RA years 2022 and beyond.
13b	**2. Available Import Capability Multi-year Allocation Process** Support. PG&E supports the concept of the "simplified Alternative 2" the CAISO proposes in the Second Revised Straw Proposal: Load share ratio always respected - single year allocation with multi-year lock at the branch group level. Under this alternative, PG&E understands that it allows two ways of using the MIC allocated to LSEs. First (status quo), it maintains the current way of using the MIC allocated and let the possibility for LSEs to use MIC allocation to cover short term system RA shortfall, with no specific requirements of the applicable RA contracts. Second, it will also allow LSEs to lock MIC for an undetermined length of time for applicable RA contracts with the following criteria: the new contract used to lock MIC allocations should be either resource specific or an aggregation of specific resources and should cover a minimum of three summer months (between June-September). PG&E would appreciate the CAISO provide additional examples demonstrating the method in which LSEs can lock in the MIC for applicable RA contracts, and the details on how this provides increased certainty to these LSEs. PG&E appreciates the CAISO proposal to increase transparency around import contracts by proposing to make public information related to the LSE	Thank you for your support. Your understanding is correct.

No	Comment Submitted	CAISO Response
	holder and locked up amounts, including expiration years, for each individual branch group.	
13c	**3. Other** No additional comments.	